

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

5-6821

CENTRAL INTELLIGENCE AGENCY  
WASHINGTON, D.C. 20505

CIA/OER/S-06821-75

7 March 1975

MEMORANDUM FOR: Mr. Anthony Jurich  
Special Assistant to the President  
for Textiles  
Old Executive Office Building

SUBJECT : Support for Textile Negotiations

In response to your request, we have prepared the  
attached reports on the textile industries of Brazil,  
Colombia, Mexico, and China.

25X1

Office of Economic Research

Attachments:  
As stated

25X1



46

25X1

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Next 3 Page(s) In Document Exempt

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Colombia's Textile Industry

1. The Colombian textile industry is one of the most important sectors of manufacturing in the country. In 1974 the industry is estimated to have accounted for about 25% of total manufacturing value added, ranking second after the food industry. The industry presently employs about 100,000 people, making it the top employer in manufacturing.
2. Although the industry enjoys ample tariff protection, it is reputedly among the most efficient in Latin America. Except for specialty goods, Colombian cotton textiles generally are competitive in quality and price with foreign manufactures. Producing a fairly full range of textiles, the industry meets most domestic needs and devotes about 30% of production to exports.

Trends in Production and Trade

3. Cotton represents 62% of the total inputs utilized by the textile industry, followed by polyester filament, 10%, and polyester fiber, 7%. Small amounts of nylon, acrylic, artificial fibers and wool are also being used. Use of wool has been decreasing, representing only an estimated 3% of total inputs in 1974. Synthetics have now emerged as the fastest growing product line. Man-made fiber production increased from 48.4 million pounds in 1970 to 67.6 million pounds in 1972. About 36% of output consists of cellulosic

fibers and yarn, part of which is exported. Colombia is still a net importer of non-cellulosic fibers despite rapidly growing domestic production.

4. The textile industry has been a leading factor in Colombia's drive to promote non-<sup>coffee</sup> exports. It has benefited from favorable support prices for material inputs, increased credit and technical assistance, and export subsidies. Export earnings from textile and clothing increased from \$22 million in 1970 to \$84.3 million in 1973, and \$107.9 million in January-June 1974, reflecting the rapid expansion of the industry. Most textile exports from Colombia are made under the Plan Vallejo. This plan allows firms to take advantage of Section 807 of the US Tariff Code, which requires US import duty only on the value added abroad to US components. Of \$48.4 million of textile exports under the plan in 1973, however, only 23.5% went to the US. The United States receives the bulk of knitted goods, apparel and clothing exported under the plan but in 1973 it received less than 20% of the cotton yarn and fabrics which represent the major exports.

5. Almost one-fifth of Colombia's total textile exports went to the United States in 1973. Over two-fifths of these consisted of cotton yarn and fabrics. Products derived from wool and synthetics as well as cotton comprised the remainder. Although the value of textile exports to the US has grown

from \$5 million in 1970 to \$16.3 million in 1973 both Colombia's share of the US market and the US share of Colombia's textile exports have declined. In 1973, 19% of Colombian textile exports went to the US compared with 23% in 1970. The most recent complete data on the direction of Colombian textile trade are for 1970. In 1970, the Canadian and the Central America/Caribbean area markets were equally as important as the US to Colombia (see table 3). It is likely that Colombia's trade pattern has not changed significantly since 1970.

#### Current Position and Outlook

6. It is estimated that the textile industry continued its rapid growth in the second half of 1974, since several plant expansions were put into operation. Moreover, several small companies were rapidly increasing production of upholstery and drapery fabrics, ruanas, shawls, blankets, carpets, and tapestries using both wool and cotton, destined for export, tourist trade, and local use. A number of these companies have gained international recognition.

7. For 1975, the Colombian textile export picture is not clear. Effective 1 January a tax rebate issued by the government as an export incentive was reduced from 15% to 5% for textiles, thus probably discouraging some exports. Worldwide shortages of petrochemicals also will affect Colombian textile production, especially that of the garment industry, which will have to increase the use of cotton as

a basic raw material. At the same time, Colombian cotton growers are encountering higher production costs. The textile industry also is probably being hurt by depressed world demand and by more restrictive tariff and non-tariff barriers to Colombian textiles recently imposed by several countries to protect their own industries.

8. These developments could seriously hurt Colombian textile export sales in 1975. Nevertheless, the damage may be mitigated by more vigorous government export promotion policies, by possible rescission of the tax rebate cut, and by continuation of the present accelerated rate of devaluation of the Colombian peso.

25X6

25X6

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5



Table 1

## Colombia: Clothing and Textile Exports

Million US \$

<u>Year</u>	<u>Value</u>
1970	21.8
1971	36.0
1972	43.9
1973	84.3
1974 (January-June)	107.9

Table 2

Colombia: Clothing and Textile Exports to the United  
States in 1973

Million US \$	
<u>Category</u>	<u>Value</u>
Man-made fibers	1.3
Cotton yarn and fabrics	7.3
Wool yarn	1.3
Knitted and crocheted goods	1.3
Clothing	4.5
Other non-clothing items	<u>0.6</u>
Total	16.3

Table 3

## Colombia: Direction of Textile Exports in 1970

<u>Country</u>	<u>Percentage Share</u>
North America	
Canada	23
United States	23
Central America and Caribbean	
Central America	6
Puerto Rico	7
Other Islands	8
South America	
Brazil	5
Peru	1
Europe	
Italy	6
Netherlands	5
Asia and Pacific	0
Other	<u>16</u>
Total	100

Brazil's Textile Industry

Size and Characteristics

1. Brazil's textile industry is the largest in Latin America. It occupies over 350,000 workers, about 14% of the manufacturing labor force, and is the largest employer of labor in the industrial sector. It accounts for nearly 10% of manufacturing output and contributes about 3% to Brazil's GNP. The industry produces primarily for the domestic market but close to 10% of its output is exported. Moreover, textiles have been one of Brazil's most dynamic exports in recent years and they accounted for about 3% of total export earnings in 1973.\*

2. Historically, the industry was predominantly a producer of cotton goods and they still make up 60% of total output. The production of thread and cloth from artificial and synthetic fiber is growing rapidly, however, and the industry's consumption of man-made fibers increased about three times as fast as total fiber consumption during 1969-73. Man-made fibers now account for about one-third of total textile output. As the world's sixth largest producer of raw cotton, Brazil has always been essentially self-sufficient

\* Textiles are defined here as yarn, thread, and fabrics. Under the broader definition which includes hosiery, knitwear, garments, white goods, floor covering, etc., textiles in 1973 accounted for over 5% of total exports.

[REDACTED]

in natural fiber and the rapid growth of man-made fibers in recent years has made it nearly self-sufficient in this area as well. Brazil is accelerating the development of its petro-chemical industry and the rapid growth of synthetic fiber production is expected to continue.

3. During most of the period since World War II, Brazil's textile industry was neglected and unprogressive. While there are a few large efficient firms, obsolete plant and equipment, small scale operation, poor management, and low labor/productivity have tended to be the rule. In 1969, there were nearly 1,900 manufacturing concerns in the industry employing an average of less than 160 workers per firm. Unable to face foreign competition, the industry is one of the most heavily protected in Brazil. The industry is predominantly owned by domestic capital but a few of the larger firms are subsidiaries of foreign companies.

#### Production and Trade

4. Production was stagnant during most of the 1960s but late in the decade the industry entered a new period of growth. Spurred by government tax incentives, investment has risen sharply and a broad program of rehabilitation and expansion is underway. Textile development programs approved by the Industrial Development Council (CDI) in 1970 involved capital expenditures of about \$100 million. In 1973, however, the CDI approved textile investments of over half a billion dollars. Textile machinery and equipment imports have grown

rapidly as the program progressed (see the tabulation below).

Millions of Dollars								
<u>1960</u>	<u>1962</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
7.6	20.3	19.8	32.3	44.9	55.6	86.0	76.0	159.4

In 1973, about one-third of the industry reported that capacity was being expanded. Development has occurred throughout the industry but spinning, weaving, and finishing capacity has grown most rapidly. Man-made fiber capacity also is expanding vigorously.

5. Brazil produced an estimated 2.7 billion square meters of cloth in 1973, compared to 2.2 billion square meters in 1970. From 1970 through 1973, the industry's total production grew nearly 10% annually. Growth was achieved almost entirely through improving labor productivity and employment in the industry changed little.

6. Textile exports also have grown very rapidly since 1970 as tax incentives encouraged the more efficient firms to exploit the previously neglected foreign market. During 1973, textile exports were valued at nearly \$200 million compared to only \$26 million in 1970. About half the total was accounted for by yarn and thread while fabrics made up the rest. Products from man-made fibers were about 25% of all exports in 1973 compared to 5% in 1970.

7. The direction of Brazilian textile exports changed rapidly after the 1960s. In 1970, nearly 40% of all exports

went to the United States but the share was less than 10% in 1973. West Germany, the Netherlands, other EEC countries, and Latin America have provided increasingly important markets.

#### Outlook

8. Brazil's textile markets began to soften during 1974 and the industry now is faced with a difficult situation that will last through 1975 and probably for some time beyond. Production grew more slowly during the first half of 1974 and declined after mid-year. Exports were strong during the first half of the year but fell off thereafter. Despite the slowing of production, inventories accumulated throughout the year and the industry now feels burdened by excess stocks.

9. Weakened demand resulted from recession abroad and inflation at home and both are likely to hamper the industry for the next year or two. Brazil's resurgent inflation during 1974 eroded consumer purchasing power and this effect was reinforced after mid-year by tighter consumer credit. Brazil is now faced with a period of balance-of-payments constraint that will slow its economic growth and add to its inflationary pressures. Consumer buying power will be curbed because of slower employment growth and because real wage rates will be kept under tight rein.

Excess capacity probably will develop as investment programs continue to mature while production stagnates or only rises slowly.

Economic Factors Influencing Brazil's Negotiating Position

10. Brazil's textile negotiators will be under more than the usual pressure because of the current difficulties facing the industry and because of the country's serious balance of payments problem. The textile industry is already pressing the Ministry of Finance to help it contend with its problems and the Foreign Ministry will feel similar pressure. The balance of payments probably is a more serious concern, however. Brazil's payments position deteriorated badly during 1974 as imports doubled and the inflow of foreign capital faltered during the second half of the year. The current account deficit rose from \$1.7 billion in 1973 to nearly \$7.0 billion last year and Brazil lost over one billion dollars in foreign reserves. Every effort is now being made to reverse this trend by curbing imports and by maintaining Brazil's strong export performance.

11. Brazil sees its export drive threatened not only by the worldwide recession but also by the resurgence of protectionist pressures in the developed countries. Their fears were strengthened last year by the EEC's restriction on beef imports, by the countervailing duties imposed by the US on Brazilian shoes, and by the current threat of



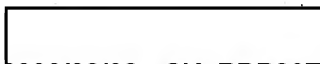
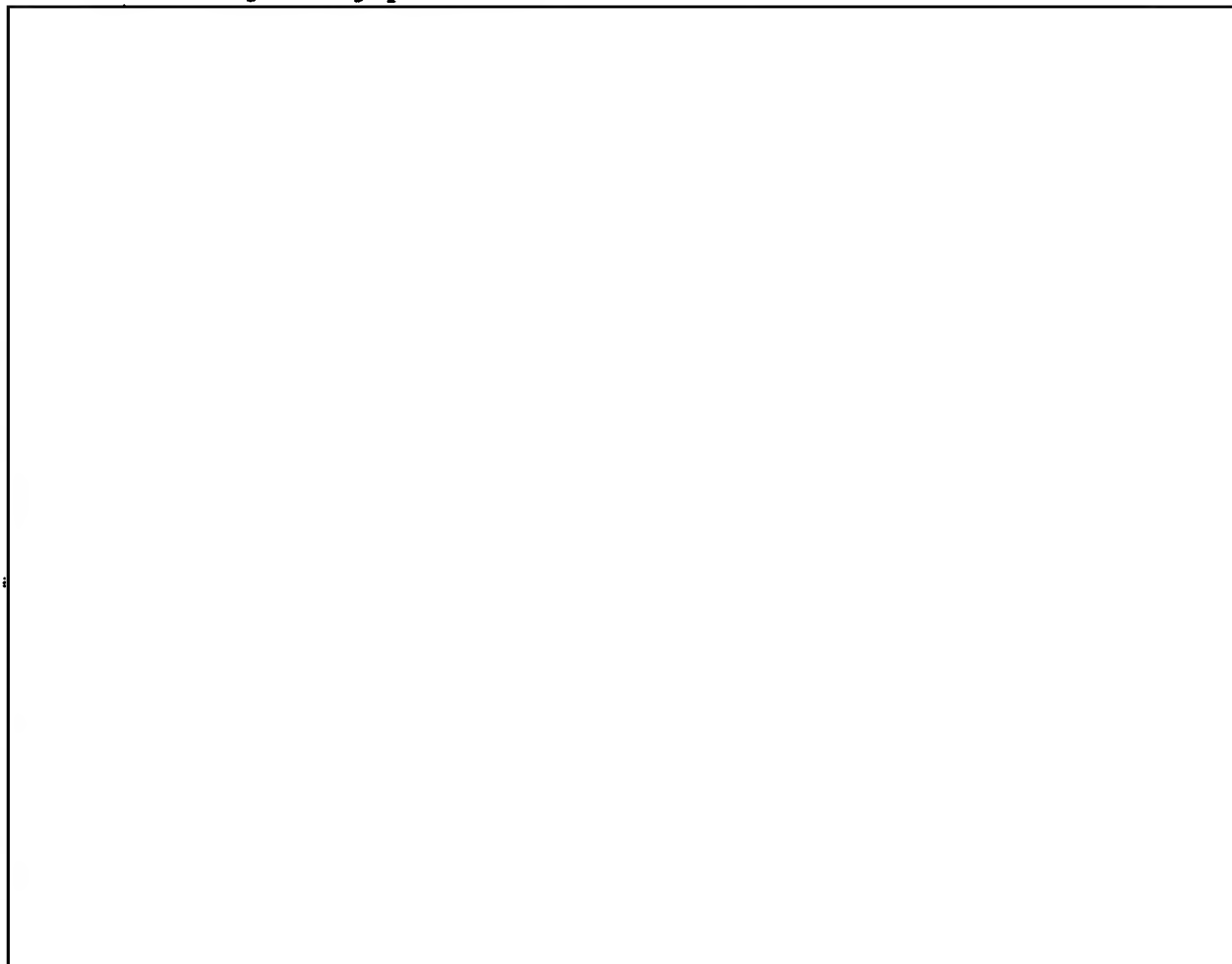
25X1



countervailing duties against leather handbags.

12. A further problem which partly accounts for Brazil's desire to put off the textile negotiation until next year is the fact that it was able to fill less than 60% of its export quota to the US during 1973-74. The failure probably was due mostly to weak demand in the US rather than an inability to deliver on Brazil's part. Nevertheless, the Brazilians evidently feel that it weakens their bargaining position.

25X6



25X1

25X6

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Next 1 Page(s) In Document Exempt

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Table 1

## Brazil's Textile Exports

	Millions of US \$ (f.o.b)			
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Yarn and thread	<u>13.3</u>	<u>20.0</u>	<u>46.1</u>	<u>97.1</u>
Artificial-synthetic	0.4	3.3	5.3	15.1
Cotton	5.4	6.8	22.8	45.0
Wool	3.7	5.7	10.4	20.7
Silk	3.0	3.5	6.8	14.7
Other	0.8	0.7	0.8	1.6
Fabrics	<u>13.2</u>	<u>20.7</u>	<u>46.7</u>	<u>98.3</u>
Artificial-synthetic	0.9	2.9	9.3	33.6
Cotton	8.9	11.1	25.8	53.8
Jute	2.6	2.4	4.6	4.3
Other	0.8	4.3	7.0	6.6
Total	<u>26.5</u>	<u>40.7</u>	<u>92.8</u>	<u>195.4</u>

Table 2

United States Textile Imports from Brazil

Thousand US \$ (f.o.b.)

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Yarn and thread	<u>3,008</u>	<u>4,208</u>	<u>5,282</u>	<u>6,683</u>
Fabrics	<u>6,859</u>	<u>6,805</u>	<u>9,630</u>	<u>11,927</u>
Cotton	<u>6,215</u>	<u>5,921</u>	<u>7,838</u>	<u>9,071</u>
Wool	<u>156</u>	<u>1</u>	<u>7</u>	<u>528</u>
Noncellulosic and Man-made fiber	<u>44</u>	<u>27</u>	<u>193</u>	<u>462</u>
Other	<u>434</u>	<u>856</u>	<u>1,592</u>	<u>1,866</u>
Total	<u>9,867</u>	<u>11,013</u>	<u>14,912</u>	<u>18,610</u>

Table 3

## Brazilian Production of Man-Made Fibers

		Thousand Metric Tons			
		<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Artificial fiber		<u>51.5</u>	<u>53.2</u>	<u>54.5</u>	<u>59.3</u>
Viscose		N.A.	45.1	45.9	50.5
Acetate		N.A.	8.1	8.6	8.8
Synthetic fiber		<u>54.0</u>	<u>56.3</u>	<u>77.2</u>	<u>116.2</u>
Nylon		N.A.	27.4	33.6	40.0
Polyester		N.A.	20.9	33.1	53.9
Acrylic		N.A.	4.1	6.5	9.2
Polifins		N.A.	3.9	4.0	13.1
Total		<u>105.5</u>	<u>109.5</u>	<u>131.7</u>	<u>175.5</u>

Table 4

## Brazilian Imports of Textiles and Textile Materials

		Millions of US \$			
		<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
Chemical and natural fibers		17.5	18.5	23.6	27.8
Yarn and thread		3.0	22.6	24.5	36.4
Fabrics		1.6	8.0	10.3	12.8
Non-clothing items		4.0	5.7	7.4	13.3
Garments		<u>4.2</u>	<u>7.9</u>	<u>7.5</u>	<u>8.5</u>
Total		30.3	62.7	73.3	98.8

## Mexico's Textile Industry

### Size and Scope

1. The Textile Industry is one of Mexico's oldest but its importance to the domestic economy and its small contribution to Mexican export earnings have been declining over the past decade. The industry employs about 225,000 persons -- 9% of the manufacturing labor force -- and the total value of output in 1973 was \$1.7 billion, 11% of total manufacturing output. The industry includes some 4,000 firms, mostly small and oriented to the domestic market, which supply nearly all of Mexico's textile needs. The firms are protected by high tariffs and import licensing. As in many other countries, production of man-made fiber textile products is increasing; in 1973 total man-made fiber output was 116,000 metric tons. Mexico now ranks as one of the largest producers of synthetic fibers among LDCs. Textile exports were \$148.3 million in 1973, a small share of both total Mexican production and exports.

2. Export statistics partially mask the rapidly growing Mexican-United States trade conducted under Mexico's Border Industries Program, however. Since 1966, plants operating under the program have been allowed to import components

25X1

duty-free for assembly and reexport. As of August 1973, 108 of the Border Industry plants were sewing clothing and accessories, mainly from man-made fabric, for reexport to the United States under Section 807 of the US Tariff Code. This requires US import duty only on the value added abroad to US components. US textile imports from Mexico under Section 807 are tabulated below for 1970-1973:

	Million US \$			
	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
US textile imports from Mexico under Section 807	<u>20.9</u>	<u>33.4</u>	<u>50.2</u>	<u>79.2</u>
Reimport of US- made components	15.3	24.4	36.2	55.5
Dutiable value added	5.6	9.0	14.1	23.7

#### Production and Trade Trends During 1970-1973

3. During the 1970s total textile production increased at a modest pace of 5% annually, well below the average rate for manufacturing as a whole. Most of the gains have been in the output for man-made fibers. Between 1970 and 1973, synthetic fiber production increased by about 32% annually. Nevertheless cotton cloth production remains the dominant



activity within the industry. A larger share of investment since the early 1960s has been directed toward modernizing facilities. By 1973, 77% of cotton textile production and 85% of man-made textile production was automated.

4. After several years of stagnation, textile exports bounded from \$25.2 million in 1970 to \$148.3 million in 1973 (see Table 1). Exports of cotton textiles have grown the fastest as a result of the government's drive to increase exports, more aggressive marketing by Mexican textile producers, a shortage of cotton textiles in developed countries and a new five year cotton textile agreement with the US that went into effect on 1 May 1971. The agreement permits much larger exports of cotton textiles to the US than were allowed under the 1967 agreement. Mexican exports of cotton thread, yarn and cloth to the US increased by 58% and cotton clothes by 73% during the first year of the agreement.

5. Mexico has attempted to reserve the quota under the textile agreement for non-border textile firms whose share of Mexican ownership and use of Mexican inputs are generally much higher. To do this the government placed border industry

- 3 -

plants continuing to use cotton inputs under the restrictive requirements of the 1973 foreign investment law, although all other types of border industry plants are exempt. The move induced nearly all border textile plants to shift to inputs made from man-made fibers or blends that are predominately man-made fibers.

6. The bulk of manufactured textile exports go to the United States. The US share of non-Border Industry trade has slipped from 86% of total foreign textile sales in 1969 to 57% in 1973. Nonetheless, non-US textile markets are scattered and, other than Japan's 9.4% of the market, are not very important individually (see Table 2). The importance of US-Mexican textile trade is understated, however, because these data exclude Border Industries trade.

7. Imports of textile goods are almost totally barred by Mexico's import licensing system except for those imports that may enter into the border industries program and are reexported. Mexico does not permit the importation into the interior of Mexico of manufactured goods which are identical or similar to products made by domestic industry. US textiles, mainly in the form of wearing apparel, may however, be imported into the 12 mile border zone. These imports amount to around \$20 million annually. Most textile machinery, on the other hand, can be imported. Imports in

1973 of machinery and parts totaled \$110 million. The United States and West Germany enjoy about one third of the market each, with the remainder shared mainly by Italy, Switzerland, and Japan.

Current Position and Outlook

8. Mexico's textile industry is facing serious difficulties because of reduced world-wide demand. In cotton textiles, for example, the industry had anticipated exports of yarn and fabrics to increase from \$73 million in 1973 to \$120 million in 1974. Instead, export sales for last year were only an estimated \$90 million. Projected foreign sales in 1975 are forecast at a dismal \$55 million, still an optimistic figure. High prices caused by increased labor and raw material costs coupled with an inflation-induced rise in the share of consumer outlays for food and housing has sharply curtailed domestic demand as well.

9. The outlook for production is even worse. Reduced foreign and domestic sales have created particularly serious unemployment problems in the cotton industry. At least 20 plants have closed their doors so far this year. Most remaining plants have eliminated third and fourth shifts and have cut operations from 6 and 7 days per week to only four or five. Nevertheless, cotton textile inventories are

now running at three month's sales or more, about triple the normal level.

10. Sales of artificial fiber and wool textiles also have been hurt by high costs and reduced demand. Most export sales of man-made fiber textiles come from apparel produced by border industry firms. These firms are reporting widespread cancellation of contracts and are substantially reducing employment. Moreover, previous Mexican hopes for locally-produced man-made fiber textiles to soon become competitive in export markets have been dashed by the 60% rise in wage rates in less than two years.

25X6

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Table 1

Mexico: Exports of Textiles and Clothing 1/

<u>Year</u>	<u>Million US \$</u>
1970	25.2
1971	34.4
1972	56.2
1973	148.3

1. Includes only the value added by border industry firms.

Table 2

Mexico: Exports of Textiles and Clothing by Composition,  
1973 1/

Type	Million US \$
Textiles and clothing, total	<u>148.3</u>
Textiles	
Yarns and fabric	<u>87.4</u>
Cotton	72.5
Wool	1.3
Man-made	13.6
Clothing	<u>60.9</u>
Cotton	12.5
Man-made	46.3
wool	2.1

1. Includes only the value added by border industry firms.

Table 3

Mexico: Exports of Textiles and Clothing,  
by Country of Destination, 1973 1/

	<u>Million US \$</u>	<u>Percent</u>
Total	<u>148.3</u>	<u>100.0</u>
United States	83.9	56.6
Japan	13.9	9.4
Sweden	7.2	4.9
Belgium-Luxembourg	6.3	4.2
Canada	5.7	3.8
Spain	4.0	2.7
France	3.0	2.0
Other	24.3	16.4

1. Includes only the value added by border industry firms.



China's Textile IndustrySize and Scope

1. China's textile industry is its largest single industry in terms of employment, with over 1.3 million people employed. The PRC ranks as one of the four largest world producers of cotton goods, its major textile product. Most of the cotton textiles are consumed domestically. Silk, the next major product, is produced primarily for export. Lesser quantities of wool, jute, hemp, and man-made fibers are produced.

Production and Foreign Trade

2. Production of cotton cloth has registered only modest gains since the 1950s. The output of 7.5 billion linear meters in 1970 was only 23% above the high of 6.1 billion meters attained in 1959. Output declined in 1971 and only reached 7.6 billion linear meters in 1974. Fluctuations in cotton output caused imports of raw cotton to grow from 98,000 metric tons in 1970-71 to 391.9 thousand metric tons in 1972-73 before declining slightly the following year. Silk production has shown steady gains; output in 1971, the only recent year for which information is available, totaled 401.28 million linear meters.

3. Production of man-made fibers, though small, has increased from 104,000 metric tons in 1970 to 146,000 metric

tons in 1974. This compares to US production of over 4,053,000 tons in 1974. China imports considerable quantities of raw materials and intermediate products for production of synthetic fibers. In addition, nearly 100,000 tons of man-made fibers, including some tire cord and fabric, were imported in 1974. Man-made fiber output will increase significantly when whole plants purchased in 1973-74 come into production in the late 1970s.

4. Textiles comprise over  $\frac{1}{2}$  of China's total exports. Cotton textiles, mostly cloth, constitute the bulk of these exports. A large share of cotton goods go to LDCs. Silk products -- chiefly raw silk but also yarn, fabric, and clothing -- are the second most important textile export. Japan is China's main silk buyer, importing over \$248 million of silk products in 1973. Exports to Japan fell sharply in 1974 as a result of the Japanese recession.

5. The US has not been a major market for Chinese textile products. Only \$18 million of these goods were imported in 1973 and \$38 million in 1974. The main reasons for this lack of demand are changing consumer preferences toward man-made fibers, lack of styling to meet current fashions, and conflicts over marketing procedures.

6. Textile imports, though relatively small, have shown a slight increase during the 70s. As a percentage of total imports, they increased from 7.8% in 1971 to 9.4% in 1973. In the next few years, as China's capacity to produce man-made fibers expands, imports probably will decline.

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5  
In spite of the present depressed economic situation, the long term outlook for Chinese textiles is favorable. Possible setbacks, caused by reduced demand by the LDCs as they develop their own production capabilities should be more than offset by expanding PRC relations with other countries. Increased willingness to conform to marketing procedures and a greater effort to stay abreast of styling changes will serve to help exports. Greater capabilities to offer man-made fabrics and blends will also help sales in western markets. In addition, the 1974 Japanese embargo on silk imports that helped contribute to a 28.5% decrease in imports of textile products from China, has shown signs of being lifted.

[REDACTED] 25X1

8. The agencies that are likely to be involved in Chinese textile negotiations are China National Textiles Import-Export Corporation (CHINATEX) and the China Council for the Promotion of International Trade (CCPIT). CHINATEX handles actual import-export operation and acts as the middleman between the Chinese producers or end-users and the foreign trading firms. CCPIT, established in 1952, is a semi-official arm of the Ministry of Foreign Trade. Its primary purpose is to conduct trade relations with countries that do not recognize the PRC. The CCPIT arranges Chinese trade exhibitions at home and overseas, hosts visits by foreign trade delegations and businessmen, and sponsors visits abroad by Chinese trade and production officials. The Foreign Trade Arbitration Commission and the Maritime Arbitration Commission were set up under the CCPIT in the mid-1950s to settle disputes with foreign importers and exporters.

[REDACTED] 25X1

25X6

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Next 2 Page(s) In Document Exempt

Approved For Release 2003/08/08 : CIA-RDP86T00608R000600010047-5

Table 1

## China:Textile Exports

	(Million US \$)		
	<u>1971</u>	<u>1972</u>	<u>1973</u>
Total Exports	2,415	3,085	4,895
Textile Fibers	120	205	290
Yarns and Fabric	325	460	795
Clothing	155	190	275

Table 2

## China:Textile Imports

Total Imports	2,305	2,835	4,975
Textile Fibers	140	205	400
Yarn and Fabric	40	40	70

Table 3

China: Textile Trade with Selected Non-Communist Countries  
1972

	(million US \$)			
<u>Exports</u>	<u>Japan</u>	<u>US</u>	<u>UK</u>	<u>France</u>
Total Trade	468	32	77	91
Textile fibers	127	5	10	11
Yarn and fabric	45	3	11	14
Clothing	17	1	1	2
<u>Imports</u>				
Total Trade	640	79	90	67
Textile fibers	16	--	7	--
Yarn and fabric	32	--	4	5

Table 4

China: Textile Trade with Selected Non-Communist Countries  
1973

	(million US \$)			
<u>Exports</u>	<u>Japan</u>	<u>US</u>	<u>UK</u>	<u>France</u>
Total Trade	928	64	102	128
Textile fibers	222	6	18	17
Yarn and fabric	141	10	14	18
Clothing	45	2	2	3
<u>Imports</u>				
Total Trade	1,093	812	238	103
Textile fibers	25	114	19	1
Yarn and fabric	43	--	7	6

Table 5

China: Textile Trade with Selected Non-Communist Countries  
1974

(Million US \$)

	Japan (Jan-Nov)	US (Jan-Dec)	UK (Jan-Oct)	France
<u>Exports</u>				
Textile fibers and their waste	103.276	4.6	20.1	NA
Textile Yarn and Fabric	90.221	28.2	19.4	NA
Clothing	94.268	5.0	1.5	NA
<u>Imports</u>				
Textile fibers	73.078	185.6	25.6	NA
Yarn and Fabric	116.947	1.5	8.8	NA

Table 6

## Production of Cotton Cloth

(Metric Tons)

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>
US	918,527	902,527	831,769	746,772
India	913,139	855,348	932,790	905,232
China	872,000	837,000	849,000	884,000
USSR	946,153	984,153	987,538	1,011,915



PRC Cotton Trade\*

(1000 Metric tons)

	<u>Exports</u>	<u>Imports</u>	<u>Net Imports</u>
1969-70	10.9	76.2	65.3
1970-71	16.3	98.0	81.6
1971-72	16.3	152.4	136.1
1972-73	16.3	391.9	375.6
1973-74	21.8	348.4	326.6

\*Data are reported by crop year.